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3:01-CV-00205 RUFFALO V. EN POINTE

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UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF CALIFORNIA

GREGG A. RUFFALO, on behalf of himself  
and all others similarly situated,

Plaintiff,

v.

EN POINTE TECHNOLOGIES, INC.;  
ATTIAZAZ "BOB" DIN; JAVED LATIF;  
NAUREEN DIN; ZUBAIR AHMED; ELLIS  
POSNER; MARK BRIGGS; VERDELL  
GARROUTTE; JACOB STETTON; ERIC  
KEATING; ROBERT MERCER; HAMPTON-  
PORTER INVESTMENT BANKERS LLC; H-  
P HOLDINGS, LLC; TIME HOLDINGS, LLC;  
JSL HOLDINGS LP; JSL ENTERPRISES,  
LLC; JOHN WILLIAM LAURIENTI; and  
GREGORY WALKER;

Defendants.

Case No.

01 CV 0205

L(CGA)

CLASS ACTION COMPLAINT FOR  
VIOLATIONS OF THE FEDERAL  
SECURITIES LAWS

JURY TRIAL DEMANDED

**TABLE OF CONTENTS**

1		
2	INTRODUCTION AND OVERVIEW .....	<u>1</u>
3	JURISDICTION AND VENUE .....	<u>3</u>
4	PARTIES .....	<u>3</u>
5	CLASS ACTION ALLEGATIONS .....	<u>7</u>
6	SUBSTANTIVE ALLEGATIONS .....	<u>9</u>
7	Background .....	<u>9</u>
	Defendants Manipulate the Market for En Pointe Securities .....	<u>9</u>
8	Post-Class Period Events .....	<u>15</u>
9	CAUSATION ALLEGATIONS .....	<u>16</u>
10	ADDITIONAL SCIENTER ALLEGATIONS .....	<u>17</u>
11	FRAUD ON THE MARKET ALLEGATIONS .....	<u>22</u>
12	FIRST CLAIM FOR RELIEF .....	<u>22</u>
13	Violations of Section 10(b) of The Securities Exchange Act of 1934 and Rule 10b-5 Promulgated thereunder	
14	SECOND CLAIM FOR RELIEF .....	<u>23</u>
15	Violations of Section 20(a) of The Securities Exchange Act of 1934	
16	THIRD CLAIM FOR RELIEF .....	<u>25</u>
	For Violations of Sections 10(b) and 20A of The Securities Exchange Act of 1934	
17	PRAYER FOR RELIEF .....	<u>26</u>
18	DEMAND FOR JURY TRIAL .....	<u>28</u>

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1 Plaintiff, by his attorneys, bring this action on behalf of himself and all others similarly  
2 situated, and alleges the following upon personal knowledge as to himself and his own activities, and  
3 based on investigation conducted by counsel for all other matters. That investigation has included  
4 the thorough review and analysis of public documents, SEC filings, press releases, news articles,  
5 Court pleadings and arbitration pleadings concerning the matters set forth herein.

### 6 **INTRODUCTION AND OVERVIEW**

7 1. This is a class action on behalf of plaintiff Gregg A. Ruffalo (hereinafter "Plaintiff")  
8 and all others who purchased the common stock of En Pointe Technologies, Inc. (hereinafter "En  
9 Pointe" or the "Company") between December 7, 1999 and April 13, 2000, inclusive (the "Class  
10 Period"), and who have suffered damages as the result of the alleged price manipulation scheme set  
11 forth below. Plaintiff alleges violations of the federal securities laws against En Pointe  
12 Technologies, Inc. and ten of its officers and directors<sup>1</sup> who knowingly participated in manipulating  
13 the price of En Pointe Technologies, Inc.'s shares.

14 2. Throughout the Class Period, En Pointe Technologies, Inc. held itself out as a national  
15 business to business e-commerce provider of information technology products and value-added  
16 services, using proprietary and non-proprietary software and systems to drop-ship maintenance,  
17 repair, and operation (MRO) products to its customers through an electronically linked network of  
18 allied distributors in the United States.

19 3. During the relevant period, the Insiders conspired with a small investment bank,  
20 Hampton-Porter Investment Bankers LLC (hereinafter "Hampton-Porter"), and its brokers and  
21 upper-management to orchestrate a price manipulation scheme that allowed the Insiders of En Pointe  
22 Technologies, Inc. to abscond with \$50 million of investors' money. This scheme included  
23 Hampton-Porter's participation by: 1) parking excessive amounts of investors' portfolios in En  
24 Pointe Technologies, Inc. stock; 2) refusing to execute sell orders; 3) the use of illegal above market  
25 buy-ins to dissuade potential short sellers from selling En Pointe Technologies, Inc. stock short; and  
26

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27 <sup>1</sup> Defendants Attiazaz "Bob" Din, Javed Latif, Naureen Din, Zubair Ahmed, Ellis Posner, Mark Briggs,  
28 Verdell Garrouette, Jacob Stetton, Eric Keating and Robert Mercer hereinafter are collectively referred to as the  
"Insiders".

1 4) the dissemination of materially false and misleading statements about En Pointe Technologies,  
2 Inc.'s ownership interest in its subsidiary SupplyAccess, Inc. and its future prospects.

3 4. Hampton-Porter is a wholly owned sub-entity of H-P Holdings, LLC (hereinafter "H-  
4 P"). Gregory Walker holds an ownership interest in H-P and is a control person of both entities.  
5 Time Holdings, LLC, JSL Enterprises, LLC, and JSL Holdings LP, LLC are all entities controlled  
6 by John William Laurienti. On information and belief, John William Laurienti and Gregory Walker  
7 orchestrated the pump and dump scheme in conjunction with the Insiders of En Pointe Technologies,  
8 Inc. and used these various entities as conduits for their scheme.

9 5. John William Laurienti (hereinafter "Laurienti") was an interested owner/member of  
10 H-P, which in turn has 100% ownership interest in Hampton-Porter. Laurienti is the alter ego of  
11 Hampton-Porter and essentially directs its activities. As such, Laurienti is a control person with  
12 regard to Hampton-Porter. Laurienti is a recidivist stock manipulator. For example, in October of  
13 1995, the Securities and Exchange Commission found that Laurienti failed to properly discharge his  
14 supervisory duties while acting as branch manager for Dickinson & Co. and in connection with an  
15 unregistered stock offering masterminded by Laurienti. As a result, Laurienti was barred from acting  
16 in a proprietary or supervisory capacity with any broker dealer, municipal securities dealer,  
17 investment advisor or investment company. In complete disregard of that order, Laurienti has  
18 attempted to conceal his involvement with Hampton-Porter (a registered broker-dealer) through his  
19 former ownership of H-P, which in turn owns 100% of Hampton-Porter. Moreover, Laurienti has  
20 participated in this price manipulation scheme despite the SEC injunction barring him from future  
21 violations of the securities laws.

22 6. Hampton-Porter's misconduct in connection with En Pointe's material misstatements  
23 and omissions regarding En Pointe's subsidiary, Supply Access, Inc., enabled the Insiders of En  
24 Pointe to abscond with proceeds of \$49,742,398 by selling 1,100,107 insider shares to the  
25 unsuspecting public. The defendants engaged in this illegal scheme and caused material false and  
26 misleading statements to be issued in order to create high demand for En Pointe stock and artificially  
27 inflate the price of En Pointe stock, thereby allowing defendants to sell their En Pointe shares at all-  
28 time high prices between \$40-\$45 a share.

## **JURISDICTION AND VENUE**

7. This action arises under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), 15 U.S.C. §§ 78j(b) and 78t(a), and Securities and Exchange Commission ("SEC") Rule 10b-5, 17 C.F.R. § 240.10b-5, promulgated thereunder.

8. This Court has jurisdiction over this subject matter pursuant to 28 U.S.C. §§ 1331 and 1337, and Section 27 of the Exchange Act, 15 U.S.C. § 78aa.

9. Venue is proper in this district pursuant to Section 27 of the Exchange Act and 28 U.S.C. §1391(b). Defendants Hampton-Porter Investment Bankers LLC, H-P Holdings, LLC, Time Holdings, LLC, JSL Enterprises, LLC and JSL Enterprises, LLC are located in this District, and significant sales of En Pointe securities took place in this District during the Class Period.

10. In connection with the acts alleged in this complaint, the defendants, directly or indirectly, used means and instrumentalities of interstate commerce, including but not limited to the mails, interstate telephone and Internet communications, and the facilities of the NASDAQ NMS.

## **PARTIES**

11. Plaintiff Gregg A. Ruffalo (hereinafter "Plaintiff") made the following purchase of En Pointe Technologies, Inc. common stock (ENPT) on the NASDAQ NMS during the Class Period: (a) purchased 500 shares on March 30, 2000, at the price of \$37.50 per share for a total of \$18,750.00 and sold the 500 shares he purchased during the Class Period on October 25, 2000, at the price of \$4.3125 per share of a total \$2,156.25, resulting in a realized loss of \$16,593.75.

12. Defendant En Pointe Technologies, Inc. (hereinafter "En Pointe" or the "Company") is corporation organized and existing under the laws of the State of Delaware. En Pointe's principal place of business and headquarters located at 100 N. Sepulveda Blvd., 19th Floor, El Segundo, CA 90245. En Pointe currently has 6.53 million shares outstanding.

13. Defendant Attiazaz "Bob" Din (hereinafter "Bob Din") is En Pointe's CEO, President, and Chairman of the Board of Directors. According to En Pointe's proxy statement dated February 14, 2000, Bob Din was the beneficial owner of 653,702 shares of En Pointe. On February 28, 2000, Bob Din sold 105,100 shares for approximately \$5 million in proceeds. On March 15, 2000, Bob Din sold 296,900 shares of En Pointe for an additional \$13 million. These two sales, only

1 three weeks apart, amounted to 61.5% of his ownership position.

2 14. Defendant Javed Latif (hereinafter "Latif") was, at all relevant times, the Chief  
3 Financial Officer of En Pointe. Latif is the brother-in-law of Bob Din and was appointed by Din on  
4 January 1, 1999. On July 26, 2000, En Pointe announced Latif was stepping down to pursue  
5 "personal interests." According to En Pointe's proxy statement dated February 14, 2000, Mr. Latif  
6 was the beneficial owner of 52,860 shares of En Pointe. On February 28, 2000, Mr. Latif sold  
7 25,000 shares for \$1 million in proceeds. On March 15, 2000, Mr. Latif sold 22,185 shares of En  
8 Pointe for another \$996,442. These two sales, only three weeks apart, amounted to 89.3% of his  
9 ownership position.

10 15. Defendant Naureen Din was and is En Pointe's Secretary and a Director. Mrs. Din  
11 is also the wife of Bob Din. According to En Pointe's proxy statement dated February 14, 2000,  
12 Mrs. Din was the beneficial owner of 653,702 shares of En Pointe. On February 28, 2000, Mrs. Din  
13 sold 105,100 shares for 5 million dollars. On March 15, 2000, Mrs. Din sold 296,900 shares of En  
14 Pointe for 13 million dollars. These two sales, only three weeks apart, amounted to 61.5% of her  
15 ownership position.

16 16. Defendant Zubair Ahmed (hereinafter "Ahmed") was during the relevant time period  
17 and is now a director of En Pointe. According to En Pointe's proxy statement dated February 14,  
18 2000, Mr. Ahmed was the beneficial owner of 807,396 shares of En pointe. On March 15, 2000, Mr.  
19 Latif sold 165,000 shares of En Pointe for \$8 million in proceeds.

20 17. Defendant Ellis Posner (hereinafter "Posner") was during the relevant time period and  
21 is now the Vice-President of Sales at En Pointe. According to En Pointe's proxy statement dated  
22 February 14, 2000, Mr. Posner was the beneficial owner of 48,220 shares of En Pointe. On  
23 February 28, 2000, Mr. Posner sold 25,000 shares for approximately \$1 million in proceeds. On  
24 March 14, 2000, Mr. Posner sold 8,000 shares of En Pointe for another \$347,530. These two sales,  
25 only three weeks apart, amounted to 68.4% of his ownership position.

26 18. Defendant Mark Briggs (hereinafter "Briggs") was during the relevant time period  
27 a director of En Pointe and the Chair of the Company's Compensation Committee. According to  
28 En Pointe's proxy statement dated February 14, 2000, Mr. Briggs was the beneficial owner of 14,667

1 shares of En pointe. On February 28, 2000, Mr. Briggs sold 18,000 shares for \$869,250 in proceeds.

2 19. Defendant Verdell Garrouette (hereinafter "Garrouette") was during the relevant time  
3 period a director of En Pointe. According to En Pointe's proxy statement dated February 14, 2000,  
4 Mr. Garrouette was the beneficial owner of 8,334 shares of En Pointe. On February 28, 2000, Mr.  
5 Garrouette sold 10,000 shares for \$463,730. Mr. Garrouette is also on the Compensation Committee  
6 of En Pointe.

7 20. Defendant Jacob Stetton (hereinafter "Stetton") was during the relevant time period  
8 a Senior Vice President and the General Counsel. According to En Pointe's proxy statement dated  
9 February 14, 2000, Mr. Stetton was the beneficial owner of 17,377 shares of En Pointe. On February  
10 28, 2000, Mr. Stetton sold 10,000 shares for \$463,730 in proceeds. This sale amounted to 58% of  
11 his ownership position.

12 21. Defendant Eric Keating (hereinafter "Keating") was during the relevant time period  
13 an officer of En Pointe with the title "Director of National Services". On February 28, 2000, Mr.  
14 Keating sold his entire lot of En Pointe shares, such transaction amounting to a sale of 5,600 shares  
15 for \$262,183.

16 22. Defendant Robert Mercer (hereinafter "Mercer") was during the relevant time period  
17 a Vice President with En Pointe. On February 28, 2000, Mr. Mercer sold his entire lot of En Pointe  
18 shares, such transaction amounting to a sale of 7,322 shares for \$339,543.

19 23. Defendant Hampton-Porter Investment Bankers LLC (hereinafter "Hampton-Porter")  
20 is a limited liability company organized and existing under the laws of the State of California with  
21 its principal place of business 600 West Broadway, 14<sup>th</sup> Floor, San Diego, California. Hampton-  
22 Porter is an investment banking and brokerage company, and a member of the National Association  
23 of Securities Dealers. Hampton-Porter was the conduit through which the Defendants pursued their  
24 scheme, by causing it to publish false and misleading statements regarding En Pointe, and by  
25 otherwise manipulating the market for En Pointe stock. Specifically, Hampton-Porter was controlled  
26 by Defendants Laurienti, Gregory Walker and H-P.

27 24. Defendant H-P Holdings, LLC (hereinafter "H-P") is a limited liability company  
28 organized and existing under the laws of the State of California with its principal place of business



1 600 West Broadway, 14<sup>th</sup> Floor, San Diego, California. H-P, by and for its members, maintains a  
2 100% ownership interest in Hampton-Porter. Gregory Walker owns 100% of H-P.

3 25. Defendant Time Holdings, LLC (hereinafter "Time Holdings") is a limited liability  
4 company organized and existing under the laws of the State of California with its principal place of  
5 business 600 West Broadway, 14<sup>th</sup> Floor, San Diego, California. Time Holdings is a holding  
6 company used as an alter ego for its sole members, Laurienti and Walker. Time Holdings, at the  
7 time of the allegations contained herein, held approximately 522,700 shares of En Pointe (ENPT).  
8 Time Holdings also received hundreds of thousands of dollars from Hampton-Porter labeled as  
9 "consulting fees." Time Holdings principle place of business is located at 600 W. Broadway, 14th  
10 Floor, San Diego, CA 92101.

11 26. Defendant JSL Holdings LP (hereinafter "JSL Holdings") is a limited partnership  
12 organized and existing under the laws of the State of California with its principal place of business  
13 12626 High Bluff Drive, Suite 350, San Diego, California. Laurienti controlled JSL and maintained  
14 an account at Merrill Lynch with at least 65,000 shares of En Pointe in JSL's name.

15 27. Defendant JSL Enterprises, LLC (hereinafter "JSL Enterprises") is a limited liability  
16 company organized and existing under the laws of the State of California with its principal place of  
17 business 12626 High Bluff Drive, Suite 350, San Diego, California. JSL Enterprises, LLC is the sole  
18 general partner of JSL Holdings, LP, and is controlled by Laurienti.

19 28. Defendant John William Laurienti (hereinafter "Laurienti") was an interested  
20 owner/member of H-P, which in turn has 100% ownership interest in Hampton-Porter. Laurienti is  
21 the alter ego of Hampton-Porter and essentially directs its activities. As such, Laurienti is a control  
22 person with regard to Hampton-Porter.

23 29. Defendant Gregory Walker (hereinafter "Walker") holds an ownership interest in H-P,  
24 which in turn has 100% ownership interest in Hampton-Porter. As such, Walker is a control person  
25 with regard to Hampton-Porter and H-P.

26 30. During the Class Period, the defendants, individually and in concert, directly and  
27 indirectly, engaged and willfully participated in a continuous course of conduct to misrepresent and  
28 conceal material information regarding En Pointe's subsidiary Supply Access, Inc. as specified herein

1 in order to sell \$50 million worth of En Pointe shares on the open market. Defendants employed  
2 devices, schemes, and artifices to defraud, and engaged in acts, practices, and a course of conduct  
3 as herein alleged in an effort to increase and maintain an artificially high market price for En Pointe  
4 shares. This included the formulation of, making, and/or participation in the making of untrue  
5 statements of material facts, and the omission to state material facts necessary in order to make the  
6 statements made, in light of the circumstances under which they were made, not misleading, which  
7 operated as a fraud and deceit upon Plaintiff and the Class.

#### 8 **CLASS ACTION ALLEGATIONS**

9 31. Plaintiff brings this class action under Rules 23(a) and 23(b)(3) of the Federal Rules  
10 of Civil Procedure, on behalf of a class of persons who bought or otherwise acquired En Pointe  
11 common stock during the Class Period (or their successors in interest) and who suffered damages  
12 thereby ("the Class"). Excluded from the Class are the Defendants named herein, members of the  
13 immediate families of the Defendants, any firm, trust, partnership, corporation, officer, director or  
14 other individual or entity in which a Defendant has a controlling interest or which is related to or  
15 affiliated with any of the Defendants, and the legal representatives, heirs, successors in interest or  
16 assigns of any such excluded party.

17 32. The Class is so numerous that joinder of all members is impracticable. As of May  
18 11, 2000, En Pointe had 6.5 million shares of common stock issued and outstanding, and such shares  
19 were publicly traded on the NASDAQ NMS during the Class Period. The exact number of members  
20 of the Class is not known at this time, but is believed to number in the thousands.

21 33. Plaintiff will fairly and adequately protect the interests of the members of the Class.  
22 and Plaintiff has no interests which are contrary or in conflict with the interests of the Class members  
23 that they seek to represent. Plaintiff has retained competent counsel experienced in class action  
24 litigation under the federal securities laws to ensure such protection, and intends to prosecute this  
25 action vigorously.

26 34. Plaintiff's claims are typical of the members of the Class, because Plaintiff and all  
27 of the Class members sustained damages arising from the same wrongful conduct complained of  
28 herein.

35. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual members of the Class may be relatively small, the expense and burden of individual litigation make it impossible for the members of the Class to individually seek redress for the wrongs done to them. There will be no difficulty in the management of this action as a class action.

36. Questions of law and fact common to the members of the Class predominate over any questions that may affect only individual members in that Defendants have acted on grounds generally applicable to the entire Class. Among the questions of law and fact common to the Class are:

- a) whether the federal securities laws were violated by Defendants' acts as alleged herein;
- b) whether Defendants' omitted and/or misrepresented material facts and whether Defendants breached any duty to convey material facts or to correct material facts previously disseminated;
- c) whether Defendants participated in and pursued the common course of conduct complained of herein;
- d) whether Defendants acted with scienter in omitting and/or misrepresenting material facts;
- e) whether the price of En Pointe common stock was artificially inflated during the Class Period as a result of the material misrepresentations and omissions complained of herein;
- f) whether the Insiders were control persons of En Pointe as alleged herein; and
- g) whether members of the Class have sustained damages and, if so, the proper measure of such damages.

## **SUBSTANTIVE ALLEGATIONS**

### **Background**

37. During 1999, companies in the B2B (Business to Business) market started to enjoy unusual attention from investors because many market research companies estimated the market potential to be very large. For example, International Data Corporation estimated that "Internet-based procurement applications will grow from \$187 million in 1998 to \$8.5 billion in 2003, well on the way in automating the estimated \$1.3 trillion that U.S. corporations spend on indirect purchases."

### **Defendants Manipulate the Market for En Pointe Securities**

38. On or about December 7, 1999, several En Pointe officers participated in a conference

1 call with securities analysts and investors. Specifically, three En Pointe executives (Bob Din, Latif,  
2 and Posner) participated in this conference call. During the call, Bob Din commented on En Pointe's  
3 new "wholly owned" subsidiary SupplyAccess. Bob Din further stated:

4 We have recently launched a new subsidiary, SupplyAccess, Inc., which is being  
5 positioned to compete well against entities such as Ariba and Commerce One. We  
6 are in the process of seeking a private placement of securities for no less than \$9.75M  
7 and no more than \$18.75M.

8 39. Ariba and Commerce One were and are the two leading companies in the B2B  
9 exchange market and experienced strong demand for their stock in 1999. Bob Din, in the December  
10 7, 1999 conference call, characterized En Pointe's subsidiary SupplyAccess as "being positioned to  
11 compete well against" and thus a direct competitor to both Ariba and Commerce One. This  
12 statement was patently false. In fact, neither En Pointe nor SupplyAccess are significant players in  
13 the B2B market in which Ariba and Commerce One operate, and they were not positioned to offer  
14 any significant competition to those companies.

15 40. In January 2000, Broadview International, LLC released a research report entitled  
16 "Market Maps of B2B Digital Marketplaces and Web-Enabled Supply Demand Management  
17 Companies." Broadview's report sought to account for every known public and private company  
18 operating in the B2B market. Additionally, Broadview categorized each company into market  
19 segments identifying the focus of the B2B companies. Ariba and Commerce One were characterized  
20 as "Super Verticals" as opposed to just horizontal or vertical market B2B companies. This  
21 categorization of Ariba and Commerce One reflected their domination of the B2B space. Most  
22 importantly, neither En Pointe nor SupplyAccess were mentioned as operating in any B2B market  
23 whatsoever -- in fact they were not even mentioned in the report.

24 41. A March 13, 2000 press release published by Commerce One, Inc. further  
25 demonstrates the fact that En Pointe and SupplyAccess were not and never have been competitors  
26 of Commerce One. This press release lists En Pointe as one of over 30 "vendors and suppliers" who  
27 had "endorsed Commerce One's Round Trip capability." This statement makes it clear that En  
28 Pointe was at best a reseller of Commerce One's technology, rather than a competitor in the B2B  
market.

1           42.     During the December 7, 1999 conference call, defendant Bob Din also announced that  
2 the private placement offering of SupplyAccess would garner a total of “no less than \$9.75 million  
3 and no more than 18.75 million.” The maximum offering of \$18.75 million would have left En  
4 Pointe with a majority interest in SupplyAccess.

5           43.     This statement was knowingly misleading because Bob Din, in light of his position  
6 and access to internal private placement memoranda for SupplyAccess, knew at that time that a  
7 supplemental offering was being contemplated for another \$7.6 million, which in turn would leave  
8 En Pointe with a minority ownership interest in SupplyAccess.

9           44.     That same day, December 7, 2000, defendants formally informed the market  
10 concerning the Company’s planned private placement of SupplyAccess stock with the filing of a  
11 Form 8-K with the SEC. This document stated, in relevant part:

12           The Company is in the process of seeking funding for a private placement of  
13 securities in its recently incorporated, currently wholly owned, direct-procurement  
14 focused subsidiary, SupplyAccess, Inc., for no less than \$9.75 million and no more  
15 than \$18.75 million.

16           45.     Contemporaneously with these false and misleading statements, Laurienti was quietly  
17 acquiring shares of En Pointe through his various alter egos, Time Holdings, LLC, JSL Enterprises,  
18 LLC, and JSL Holdings, LP. Time Holdings alone acquired 522,700 shares of En Pointe from  
19 August to December of 1999. This holding alone amounted to an 8.8% stake in En Pointe, just  
20 below the 10% insider threshold. Not only did Laurienti ultimately acquire these shares but he also  
21 consistently bought and sold the stock to create the appearance of active trading and interest in the  
22 stock. (See Exhibit A: Schedule 13D/A of Time Holdings, LLC).

23           46.     In conjunction with his own acquisition of En Pointe stock, Laurienti ordered  
24 Hampton-Porter registered representatives to buy En Pointe stock for their clients. More  
25 importantly, Laurienti, Walker and H-P caused Hampton-Porter to promise their registered  
26 representatives special incentive payments to convince their clients to purchase En Pointe stock, and  
27 then to persuade their clients not to sell En Pointe once it was purchased. (See Exhibit B: Declaration  
28 of Adam Gilman, a Hampton-Porter registered representative). In this regard, Defendants worked  
in concert to create artificial demand for En Pointe stock, in order to inflate the share price for their

own benefit and profit.

47. After the early December conference call and 8-K filing, the share price of En Pointe began to steadily rise as the market digested the news that En Pointe was a majority owner of SupplyAccess, a company that was “well positioned” to compete with Wall Street darlings Ariba and Commerce One. In early December, En Pointe stock traded around \$10 per share and an average volume of about 30 to 50 thousand shares a day. In fact, En Pointe stock had never traded above \$14 a share during the prior two years. By December 31, 1999, En Pointe closed at \$27.50 per share. On February 25, 2000, En Pointe reached an all-time high of \$52 per share. Recognizing the artificially inflated price for what it was, the Insiders sold \$50 million worth of their stock on two days; February 28th and March 15th, 2000. (See ¶¶ 72-81).

48. On January 13, 2000, En Pointe filed its annual report on SEC Form 10-K. This document stated, in relevant part:

The Company has recently formed a new subsidiary, SupplyAccess, Inc., to continue the maintenance and enhancement of these systems, and to offer some of the benefits of these systems to third parties. A private placement of the capital stock of this subsidiary is currently in process; there can be no assurance, however, that the private placement will be successfully completed.

49. The quoted statements in the January 13, 2000 Form 10-K were materially false and misleading at the time that they were made, in that Defendants concealed the fact that En Pointe was poised to proceed with a supplemental private placement offering which would reduce the Company’s ownership in SupplyAccess to a minority position.

50. Throughout the Class Period, Laurienti, Walker and H-P and caused Hampton-Porter to consistently advocate the “hidden value” of SupplyAccess to En Pointe’s stock price. For example, in a research report published January 11, 2000, Hampton-Porter stated:

We rate ENPT Accumulate, Speculative. While En Pointe Technologies' stock price has run more than 280% in the past two weeks and the valuation does appear lofty on a near term basis, we believe that the current price of the stock reflects a few critical metrics that should sustain an increase in valuation over the mid to longer term.

\* \* \* \*

*[We believe the company's true strategic value is in its Internet-related subsidiaries, Firstsource.com and SupplyAccess Inc., and that the recent run up in terms of stock price is due to market speculation in terms of these businesses. En Pointe currently holds a 71% stake in Firstsource and a 51% stake in SupplyAccess (upon completion of an \$18 million private placement). As each of these companies*



1 ramp in terms of revenue and capturing market share, we believe that they represent  
 2 a significant value to En Pointe shares. Moreover, an IPO of SupplyAccess could  
 3 unleash enormous additional value to En Point shareholders, given a conservative  
 4 valuation relative to its peers on the street (see discussion below). ***At present, we feel  
 that En Point represents a compelling indirect play in the business-to-business  
 eCommerce market.***

\*\*\*\*\*

5 SupplyAccess Inc. focuses on large enterprise e-procurement solutions in the  
 6 business-to-business marketplace, including procurement of IT products and services,  
 7 operating resources and other vertical products and services. Strategic partners  
 8 include SAP AG (NYSE: SAP) and Microsoft Corp. (Nasdaq: MSFT). In its first two  
 9 quarters of operation, the company has already processed more than \$100 million in  
 10 transactions.

11 Growth in the business-to-business Internet commerce market continues to explode,  
 12 and is affecting the way small businesses to large corporations are doing business.  
 13 Business-to-business eCommerce enables companies to drastically reduce costs,  
 14 increase and sustain ROI and gain competitive advantages over their peers.  
 According to Giga Information Group, savings due to the use of business-to-business  
 eCommerce solutions for US businesses will explode from \$15 billion in 1998 to  
 about \$600 billion in 2002. Moreover, one-fourth of all US business-to-business  
 purchasing will be done online by 2003, reaching approximately \$2.8 trillion in  
 transaction value, according to the Boston Consulting Group.

15 ***We believe that SupplyAccess is poised to take advantage of this exponentially  
 16 growing business-to-business eCommerce market, differentiating itself from its  
 17 competitors such as CommerceOne, Ariba and PurchasePro on a number of  
 18 different levels.***

\*\*\*\*\*

19 [W]e believe that SupplyAccess has a significant opportunity in the huge B2B  
 20 market, and therefore makes a compelling value proposition for shareholders of En  
 21 Pointe. ***En Pointe is in the process of issuing a private placement for SupplyAccess,  
 22 raising \$18 million. Upon completion, En Pointe will retain a 51% stake in  
 23 SupplyAccess.*** Given the street's interest in e-procurement companies and  
 24 SupplyAccess' competitive positioning in this space, a SupplyAccess IPO would  
 25 bring substantial value to En Pointe. (Emphases added.)

26 51. Through Hampton-Porter, Laurienti, Walker and H-P continued to feed similar false  
 27 and misleading information to the market on February 4, 2000, when Hampton-Porter published  
 28 another analyst report containing the following statements:

29 To reiterate, we believe that SupplyAccess has a significant opportunity in the huge  
 30 B2B market, and therefore makes a compelling value proposition for shareholders  
 31 of En Pointe. En Pointe is in the process of issuing a private placement for  
 32 SupplyAccess, raising \$18 million. Upon completion, En Pointe will retain a 51%  
 33 stake in SupplyAccess. Given the street's interest in e-procurement companies and  
 34 SupplyAccess' competitive positioning in this space, a SupplyAccess IPO would  
 35 bring substantial value to En Pointe.

36 52. The January 11 and February 4, 2000 compared SupplyAccess to Ariba and  
 37 Commerce One on a market capitalization basis. For example, in the February 4, 2000 report, H-P,  
 38 and Jaurienti cause Hampton-Porter to state:

## Company Recent Stock Price Market Capitalization:

Ariba-	\$172	15,629,640
Commerce One-	\$214	15,470,362
Purchase Pro-	\$119	3,358,741
En Pointe-	\$38	227,000

Assuming that SupplyAccess is valued at a conservative multiple of 60X year '00 revenues to its peers, (CMRC @ 123x year '00; and ARBA @ 80x year '00), with projected revenue of \$7,591,000 in its first year of operations, SupplyAccess should be valued at approximately \$17 per share (28,000,000 basic outstanding). An initial public offering of SupplyAccess would unleash value to En Pointe in the following manner: Upon completion of an \$18 million private placement, En Pointe would own 51% of SupplyAccess (which should be valued at approx. \$17 per share). This would in turn, bring an additional \$40 to En Pointe's current \$38.25 trading level. We believe that trading 60x '00 revenues, an IPO of SupplyAccess would bring somewhere between \$35 and \$40 of value to En Pointe's market capitalization.

53. The quoted statements in the January 11, 2000 and February 2000 reports were materially false and misleading at the time that they were published because: a) SupplyAccess was not a direct competitor of either Commerce One or Ariba and has never been; b) Defendants concealed and affirmatively misrepresented the fact that En Pointe and the Insiders were planning a \$7.6 million supplemental offering of SupplyAccess preferred stock which would reduce En Pointe's ownership below that of a majority position; and c) the reports concealed the fact that Defendants were engaged in a scheme to artificially inflate En Pointe's share price so that Defendants could sell En Pointe stock to the unsuspecting public for massive illegal profits, and that Hampton-Porter was offering its sales representatives special incentive payments for sales of En Pointe stock.

54. On February 10, 2000, En Pointe and the Insiders published a press release which stated, in relevant part:

With the new business systems now operational, En Pointe is at the forefront of business-to-business e-commerce utilizing its unique tool, SupplyAccess(TM). . . .

\* \* \* \*

The Company is in the process of obtaining funding for a private placement of securities in its subsidiary, SupplyAccess, Inc.

55. En Pointe's and the Insiders' statements in the February 10, 2000 press release were materially false and misleading at the time that they were published, in that they concealed the facts that: a) contrary to the certain of Defendants' prior statements, neither the Company nor SupplyAccess was "well positioned" to compete with Ariba or Commerce One in the business-to-



1 business e-commerce marketplace; and b) En Pointe was poised to proceed with a supplemental  
2 private placement offering which would reduce the Company's ownership in SupplyAccess to a  
3 minority position.

4 56. On February 25, 2000, En Pointe and the Insiders' made another announcement  
5 concerning their planned private placement of SupplyAccess equity, stating that "its subsidiary,  
6 SupplyAccess, Inc., has completed a first closing of a \$26.5 million investment in  
7 SupplyAccess(TM) Series A Preferred Stock." This statement was materially false and misleading  
8 at the time that it was made, because it failed to disclose, and affirmatively concealed the fact that  
9 this sale would reduce En Pointe's ownership in SupplyAccess to a minority position.

10 57. On March 2, 2000, En Pointe filed a report on Form 8-K with the SEC, stating in part:

11 The Company announces that its web procurement business-to-business subsidiary,  
12 SupplyAccess, Inc., recently completed an initial funding of a private placement of  
13 Series A preferred stock in the gross amount of \$18 million. Such funding resulted  
14 in the sale of 12 million shares of preferred stock at \$1.50 per share, representing  
15 46.1% of the total 26 million shares of outstanding stock. With the conclusion of this  
16 sale, the Company's ownership in SupplyAccess, Inc. is 53.9%.

17 58. The quoted statements in the March 2, 2000 Form 8-K were materially false and  
18 misleading at the time that they were made, in that En Pointe and the Insiders concealed the fact that  
19 En Pointe was poised to proceed with a supplemental private placement offering which would reduce  
20 the Company's ownership in SupplyAccess to a minority position.

21 59. On April 13, 2000, En Pointe and the Insiders issued a press release announcing the  
22 closing of a supplemental sale of SupplyAccess preferred stock of \$7.6 million and that En Pointe  
23 was "no longer a majority stockholder of SupplyAccess, Inc." In fact, it was later revealed that En  
24 Pointe's ownership interest had declined to 45.1%. In response to this stunning revelation, En  
25 Pointe's stock price plummeted from an intra-day high of \$28.50 to close at \$12.87 on over 2 million  
26 shares traded.

27 60. En Pointe shares have not traded over \$13 per share since and currently trade around  
28 \$4 per share. This price reflects less than a \$30 million market capitalization for the entire company.  
Insiders profited \$50 million dollars alone from their insider sales on February 28 and March 15,  
2000.

61. During and immediately after the April 13, 2000 crash of En Pointe stock, and in order to relieve some of the selling pressure, Hampton-Porter's trading room, at the direction of defendants Laurienti, Walker and H-P refused to accept sell orders from clients. Defendants Laurienti, Walker and H-P also caused Hampton-Porter to pressure its registered representatives to sell En Pointe stock to their customers without regard to its suitability.

62. The aftermath of the April 13 revelation was reported by Bloomberg News as follows:

En Pointe Technologies Inc. (ENPT) shares fell \$14.63, or 53 percent, to \$12.88. The provider of business-to-business information technology products and services said it's no longer the majority owner of SupplyAccess, Inc., an operator of a business procurement web site.

#### **Post-Class Period Events**

63. On April 14, 2000, a Hampton-Porter client named Steven Crosby went to Hampton-Porter's offices and confronted his broker and several other Hampton-Porter representatives. He was informed that Defendants were working feverishly to support En Pointe's share price, and that Bob Din had agreed to provide \$1.5 million to Hampton-Porter secretly to allow Defendants to create artificial demand for the stock and prop up the plummeting share price. He was also informed that Hampton-Porter was purposefully disguising these purchases to make them appear to be made through different brokerage firms. These facts are alleged in an arbitration complaint styled Crosby v. Hampton-Porter Investment Banking, LLC, filed with the National Association of Securities Dealers in June of 2000.

64. On April 17, 2000, in a last-ditch effort to boost En Pointe's share price and continue with Defendants' scheme, Laurienti, Walker and H-P caused Hampton-Porter to publish another report touting En Pointe and SupplyAccess. This report contained a "strong buy" recommendation for En Pointe's stock and stated that En Pointe's stock had been "oversold due to market conditions."

65. As of January 2001, the Company's share price still has not recovered, hovering around \$4 per share.

#### **CAUSATION ALLEGATIONS**

66. En Pointe's common stock was publicly traded on the NASDAQ NMS at all relevant times. Defendants' material misrepresentations, and omissions manipulative contrivances had the

1 effect of artificially inflating the price of En Pointe's stock.

2 67. Defendants had a duty to promptly disseminate accurate and truthful information with  
3 respect to En Pointe's financial and operational condition or to cause and direct that such information  
4 be disseminated and to promptly correct any previously disseminated information that was  
5 misleading to the market. As a result of their failure to do so, the price of En Pointe's stock price  
6 was artificially inflated during the Class Period, damaging Plaintiff and the Class.

7 68. Defendants' false and misleading statements and omissions in their public statements  
8 directly caused losses to the Class. On the strength of these false statements, misrepresentations and  
9 material omissions, the Company's stock was artificially inflated to a Class Period high of \$52 on  
10 February 25, 2000 and remained artificially inflated until the end of the Class Period. Plaintiff and  
11 all class members who bought shares during the Class Period were harmed thereby, when the share  
12 prices plummeted on April 13, 2000 upon the revelation of the true nature of the Company's  
13 ownership of SupplyAccess.

14 69. Until shortly before Plaintiff filed this Complaint, he was unaware of all of the facts,  
15 as described herein, and could not have reasonably discovered the Defendants' fraudulent scheme  
16 by the exercise of reasonable diligence.

#### 17 **ADDITIONAL SCIENTER ALLEGATIONS**

18 70. Each misrepresentation and/or omission of material fact alleged herein was made with  
19 reckless disregard for, or knowledge of its false and misleading nature. At all relevant times, each  
20 Defendant was in a position to know, and did in fact know the material facts regarding the Company  
21 as set forth herein. Specifically, Defendants were in a position to know, and indeed must have  
22 known that the Company was not actively operating as a competitor to Ariba and Commerce One.  
23 Indeed, as described above, En Pointe was listed in a Commerce One press release as a vendor of  
24 Commerce One's services and products, rather than as a competitor. Similarly, Defendants were in  
25 a position to know, and must have known or recklessly disregarded the fact that the Company was  
26 planning an expanded private placement offering of SupplyAccess securities which would reduce  
27 the Company's ownership of SupplyAccess below 50%. Indeed, by February 25, 2000, Defendants  
28 had done a primary closing on the supplemental offering, and thus had to know the full terms of the

1 deal by the date, and almost certainly months before.

2 71. Each Defendant had the opportunity to commit and participate in the fraud described  
3 herein. The Insiders were each top officers, directors and/or shareholders of En Pointe and thus  
4 controlled the Company's press releases, corporate reports, SEC filings and communications with  
5 analysts. Thus, they controlled the public dissemination of and could falsify and/or omit, the  
6 material information about En Pointe's business prospects and operations, that reached the public  
7 and affected the price of En Pointe stock.

8 72. Despite the fact that it is unlawful for any person who is an officer, director or  
9 controlling person of an issuer to sell stock in the issuer at a time when he/she knows material  
10 information about the issuer which would significantly affect the market price of the issuer's  
11 security, the Insiders sold thousands of En Pointe shares to the unsuspecting public, while concealing  
12 the scheme to artificially inflate the price of En Pointe securities. The Insiders' selling during the  
13 Class Period is summarized as follows:

INSIDER	NUMBER OF SHARES	PROCEEDS
Naureen and Bob Din	202,000	8,958,780
Mediha Din <sup>2</sup>	100,000	4,339,000
Ali Mohyuddin <sup>3</sup>	100,000	4,393,711
Ahmed	165,000	7,660,537
Briggs	18,000	869,249
Garroure	10,000	463,729
Latif	47,185	2,154,802
Posner	33,000	1,506,853
Stetton	10,000	463,730
Mercer	7,322	339,542
Keating	5,600	262,182
<b>TOTAL</b>	<b>698,017</b>	<b>\$35,751,115</b>

26  
27 <sup>2</sup> Mediha Din is the minor daughter of Bob and Naureen Din.

28 <sup>3</sup> Ali Mohyuddin is the son of Bob and Naureen Din.

73. During the Class Period, Naureen Din made the following sales of En Pointe common stock while in possession of material adverse information concerning the Company's business and finances as described herein:

DATE	SHARES	PRICE	PROCEEDS
02-28-00	20,000	\$44.05	\$881,000
02-29-00	30,000	\$42.73	\$1,281,900
03-01-00	15,000	\$45.46	\$681,900
03-06-00	30,000	\$40.83	\$1,224,900
03-08-00	53,000	\$43.78	\$2,320,340
03-10-00	24,000	\$50.36	\$1,208,640
03-14-00	20,000	\$45.66	\$913,200
03-15-00	10,000	\$44.69	\$446,900
<b>TOTAL:</b>	<b>202,000</b>		<b>\$8,958,780</b>

74. During the Class Period, Ahmed made the following sales of En Pointe common stock while in possession of material adverse information concerning the Company's business and finances as described herein:

DATE	SHARES	PRICE	PROCEEDS
03-01-00	15,000	\$45.20	\$678,000
03-02-00	10,000	\$43.25	\$432,500
03-03-00	10,000	\$43.54	\$435,400
03-07-00	15,000	\$42.66	\$639,900
03-09-00	63,300	\$48.51	\$3,070,683
03-10-00	1,700	\$49.62	\$84,354
03-13-00	30,000	\$48.05	\$1,441,500
03-15-00	20,000	\$43.91	\$878,200
<b>TOTAL:</b>	<b>165,000</b>		<b>\$7,660,537</b>

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75. During the Class Period, Briggs made the following sales of En Pointe common stock while in possession of material adverse information concerning the Company's business and finances as described herein:

DATE	SHARES	PRICE	PROCEEDS
02-28-00	8,000	\$51.15	\$409,200
02-28-00	5,000	\$47.55	\$237,750
02-28-00	1,191	\$44.46	\$52,951
02-29-00	3,809	\$44.46	\$169,348
<b>TOTAL:</b>	<b>18,000</b>		<b>\$869,249</b>

76. During the Class Period, Garroure made the following sales of En Pointe common stock while in possession of material adverse information concerning the Company's business and finances as described herein:

DATE	SHARES	PRICE	PROCEEDS
02-28-00	5,000	\$47.55	\$237,750
02-28-00	1,191	\$47.55	\$56,632
02-29-00	2,142	\$44.46	\$95,233
02-29-00	1,667	\$44.46	\$74,119
<b>TOTAL:</b>	<b>10,000</b>		<b>\$463,729</b>

77. During the Class Period, Latif made the following sales of En Pointe common stock while in possession of material adverse information concerning the Company's business and finances as described herein:

DATE	SHARES	PRICE	PROCEEDS
02-28-00	15,477	\$47.55	\$735,931
02-29-00	9,523	\$44.36	\$422,440
03-01-00	5,000	\$44.96	\$223,800
03-03-00	9,100	\$45.11	\$410,501
03-10-00	1,100	\$50.00	\$55,000
03-15-00	6,985	\$43.97	\$307,130
<b>TOTAL:</b>	<b>47,185</b>		<b>\$2,154,802</b>

78. During the Class Period, Posner made the following sales of En Pointe common stock while in possession of material adverse information concerning the Company's business and finances as described herein:

DATE	SHARES	PRICE	PROCEEDS
02-28-00	10,000	\$47.55	\$475,500
02-28-00	5,000	\$47.55	\$237,750
02-28-00	477	\$47.55	\$22,681
02-29-00	9,523	\$44.46	\$423,392
03-06-00	5,000	\$41.21	\$206,050
03-14-00	3,000	\$47.16	\$141,480
<b>TOTAL:</b>	<b>33,000</b>		<b>\$1,506,853</b>

79. During the Relevant Period, Stetton made the following sales of En Pointe common stock while in possession of material adverse information concerning the Company's business and finances as described herein:

DATE	SHARES	PRICE	PROCEEDS
02-28-00	6,191	\$47.55	\$294,382
02-29-00	3,809	\$44.46	\$169,348
<b>TOTAL:</b>	<b>10,000</b>		<b>\$463,730</b>

80. During the Class Period, Mercer made the following sales of En Pointe common stock while in possession of material adverse information concerning the Company's business and finances as described herein:

DATE	SHARES	PRICE	PROCEEDS
02-28-00	4,533	\$47.55	\$215,544
02-29-00	467	\$44.46	\$20,762
02-29-00	2,322	\$44.46	\$103,236
<b>TOTAL:</b>	<b>7,322</b>		<b>\$339,542</b>

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81. During the Class Period, Keating made the following sales of En Pointe common stock while in possession of material adverse information concerning the Company's business and finances as described herein:

DATE	SHARES	PRICE	PROCEEDS
02-28-00	1,000	\$48.87	\$48,870
02-28-00	1,600	\$47.55	\$76,080
02-28-00	1,247	\$47.55	\$59,294
02-29-00	1,753	\$44.46	\$77,938
<b>TOTAL:</b>	<b>5,600</b>		<b>\$262,182</b>

82. These sales are unusual and suspicious in their timing and amount. These sales took place shortly after the Defendants primed the market with their talk of being "well positioned" to compete with Ariba and Commerce One and their SupplyAccess venture. Defendants' sales were also timed to precede the announcement that En Pointe's ownership of SupplyAccess had fallen below 50%.

83. The combination of attributable knowledge with the evident profit incentives for the various Defendants creates a strong inference of scienter.

#### **FRAUD ON THE MARKET ALLEGATIONS**

84. At all relevant times, the market for En Pointe common stock was an efficient market for the following reasons, among others:

- a) At all relevant times during the Class Period, En Pointe's common stock was listed and actively traded on the NASDAQ NMS, a highly efficient national securities market. During the Class Period, the Company had approximately 6.5 million shares of common stock issued and outstanding;
- b) As a registered and regulated issuer of securities, En Pointe filed periodic reports with the SEC and the NASDAQ NMS, in addition to the frequent voluntary dissemination of information described in this Complaint; and
- c) Several financial analysts covered and reported on En Pointe's developments, and disseminated such reports to the investing public.

85. As a result of the above, the market for En Pointe securities promptly digested current information with respect to En Pointe from all publicly available sources and reflected such information in En Pointe's stock prices. Under these circumstances, all purchasers of En Pointe stock during the Class Period suffered similar injury through their purchase of securities at prices



1 which were artificially inflated by the Defendants' manipulative activities. Thus, a presumption of  
2 reliance applies.

3 **FIRST CLAIM FOR RELIEF**  
4 **Violations of Section 10(b) of The Securities Exchange Act of 1934**  
5 **and Rule 10b-5 Promulgated thereunder**  
6 **(Against All Defendants)**

7 86. Plaintiff incorporates by reference and realleges all preceding paragraphs as though  
8 fully set forth herein.

9 87. During the Class Period, Defendants En Pointe, Bob Din, Latif, Naureen Din,  
10 Ahmed, Posner, Briggs, Garrouette, Stetton, Keating, Mercer, Hampton-Porter, H-P, Time Holdings,  
11 JSL Holdings, JSL Enterprises, Laurienti and Walker engaged in a plan, scheme and course of  
12 business which operated as a fraud upon Plaintiff and the Class, and made various untrue statements  
13 of material fact and omitted to state material facts necessary to make the statements made, in light  
14 of the circumstances under which they were made, not misleading to Plaintiff and the Class as set  
15 forth above. The purpose and effect of this scheme was to induce Plaintiff and the Class to purchase  
16 the Company's common stock during the Class Period at artificially inflated prices.

17 88. By reason of the foregoing, Defendants knowingly or recklessly violated Section 10(b)  
18 of the Securities Exchange Act of 1934 (hereinafter "Exchange Act") and Rule 10b-5 promulgated  
19 thereunder in that they themselves or a person whom they controlled: (a) employed devices, schemes  
20 and artifices to defraud; (b) made untrue statements of material facts or omitted to state material facts  
21 necessary in order to make the statements made, in light of the circumstances under which they were  
22 made, not misleading; or (c) engaged in acts, practices and a course of business that operated as a  
23 fraud or deceit upon Plaintiff and the Class in connection with their purchases of the Company's  
24 common stock during the Class Period.

25 89. As a result of the foregoing, the market price of the Company's common stock was  
26 artificially inflated during the Class Period. In ignorance of the false and misleading nature of the  
27 representations described above, Plaintiff and the Class relied, to their detriment, directly on the  
28 misstatements or the integrity of the market both as to price and as to whether to purchase these  
securities. Plaintiff and the Class would not have purchased En Pointe stock at the prices they paid,

1 or at all, if they had been aware that the market prices had been artificially and falsely inflated by  
 2 Defendants' false and misleading statements and omissions. At the time of the purchase of En  
 3 Pointe stock by Plaintiff and the Class, the fair market value of said common stock was substantially  
 4 less than the price paid by Plaintiff. Plaintiff and the Class have suffered substantial damages as a  
 5 result.

## 6 **SECOND CLAIM FOR RELIEF**

### 7 **Violations of Section 20(a) of The Securities Exchange Act of 1934**

8 (Against Defendants Attiazaz "Bob" Din, Javed Latif, Naureen Din, Zubair Ahmed,  
 9 Ellis Posner, Mark Briggs, Verdell Garrouette, Jacob Stetton, Eric Keating,  
 10 Robert Mercer, John William Laurienti, Gregory Walker, H-P Holdings, LLC,  
 11 and JSL Enterprises, LLC)

12 90. Plaintiff incorporates by reference and realleges all preceding paragraphs as though  
 13 fully set forth herein.

14 91. Defendants Bob Din, Latif, Naureen Din, Ahmed, Posner, Briggs, Garrouette, Stetton,  
 15 Keating and Mercer are liable for En Pointe's material misrepresentations and omissions complained  
 16 of herein under §20(a) of the Exchange Act in that they functioned as control persons of En Pointe  
 17 by virtue of their executive and directorial positions with the Company, their knowledge of and  
 18 involvement in the business of the Company, their daily access to confidential information regarding  
 19 the operations and finances of the Company, and their power and ability to make public statements  
 20 on behalf of En Pointe to shareholders, potential investors and the media during the Class Period.  
 21 As such, they had the power and ability to control the Company's actions.

22 92. During the Class Period, defendants Laurienti, Walker and H-P were control persons  
 23 of Hampton-Porter, in that H-P owned 100% of Hampton-Porter, Walker has a majority ownership  
 24 interest in H-P and Laurienti was empowered by Walker to direct Hampton-Porter's activities and  
 25 communications. In this regard, H-P (through Walker) and Laurienti had direct access to Hampton-  
 26 Porter's proprietary information systems, and had ultimate control of Hampton-Porter's trading  
 27 schemes and communications functions, including the publishing of analyst reports.

28 93. During the Class Period, defendants Laurienti and JSL Enterprises were control  
 persons of JSL Holdings, in that JSL Enterprises is the sole general partner of JSL Holdings and  
 Laurienti has a majority ownership interest in JSL Holdings. In this regard, Laurienti and JSL

1 Enterprises had knowledge of and involvement in the day to day business of JSL Holdings. As such,  
2 they had the power and ability to control JSL Holdings' actions.

3 94. During the Class Period, Laurienti was a control person of JSL Enterprises, in that  
4 Laurienti has a majority ownership interest in JSL Enterprises. In this regard, Laurienti had  
5 knowledge of and involvement in the day to day business of JSL Holdings. As such, they had the  
6 power and ability to control JSL Enterprises' actions.

7 95. During the Class Period, defendants Laurienti and Walker were control persons of  
8 Time Holdings, in that Laurienti and Walker have joint ownership of Time Holdings. In this regard,  
9 Laurienti and Walker had knowledge of and involvement in the day to day business of Time  
10 Holdings. As such, they had the power and ability to control Time Holdings' actions.

### 11 **THIRD CLAIM FOR RELIEF**

12 **For Violations of Sections 10(b) and 20A of The Securities Exchange Act of 1934**  
(Against Attiazaz "Bob" Din, Javed Latif, Naureen Din, Zubair Ahmed, Ellis Posner,  
13 Mark Briggs, Verdell Garrouette, Jacob Stetton, Eric Keating and Robert Mercer)

14 96. Plaintiff incorporates by reference and realleges all preceding paragraphs as though  
15 fully set forth herein.

16 97. This claim is asserted against Defendants Attiazaz "Bob" Din, Javed Latif, Naureen  
17 Din, Zubair Ahmed, Ellis Posner, Mark Briggs, Verdell Garrouette, Jacob Stetton, Eric Keating and  
18 Robert Mercer (the hereinafter "Insider Trading Defendants") pursuant to §§10(b) and 20A of the  
19 Exchange Act and Rule 10b-5 promulgated thereunder, by a Subclass consisting of all purchasers  
20 of En Pointe stock who purchased such stock contemporaneously with the insider sales of the Insider  
21 Trading Defendants, which took place between February 28 and March 15, 2000 as detailed herein.

22 98. During the Class Period, as detailed above, the Insider Trading Defendants, while in  
23 possession of material, non-public information concerning the supplemental offering of  
24 SupplyAccess stock and SupplyAccess' uncompetitive position, took advantage of the inflated  
25 market for En Pointe's stock by dumping their own shares on unwitting investors. In so doing, the  
26 Insider Trading Defendants garnered a total of approximately \$50 million in proceeds.

27 99. The Insider Trading Defendants' stock sales were timed to take advantage of the  
28 information gap that existed between the time of the initial announcements and analyst reports

1 concerning SupplyAccess, and the revelation that En Pointe had reduced its ownership of  
2 SupplyAccess to a minority position. At the time of their insider sales, the Insider Trading  
3 Defendants knew or recklessly disregarded that they possessed materially adverse non-public  
4 information regarding the supplemental offering of SupplyAccess stock and the fact that  
5 SupplyAccess was not a genuine competitor to Ariba and Commerce One in the B2B marketplace,  
6 and that this information had not been disclosed to the investing public.

7 100. As set forth above, the Insider Trading Defendants each violated §10(b) and 20A of  
8 the Exchange Act and SEC Rule 10b-5. As a direct and proximate result of the Defendants'  
9 wrongful conduct, and by virtue of the fact that Plaintiff and the Subclass purchased shares of En  
10 Pointe stock on the NASDAQ NMS contemporaneously, Plaintiff and the Subclass suffered damages  
11 in connection with these purchases. Such damages stem from the facts that Plaintiff and the Subclass  
12 paid artificially inflated prices for En Pointe stock as a result of the Defendants' violations, and  
13 would not have purchased at such inflated prices, if at all, had Defendants fulfilled their legal duty  
14 to disclose the materially adverse non-public information or abstain from selling such securities.

15 101. Plaintiff purchased 500 shares of En Pointe stock contemporaneously with the Insider  
16 Trading Defendants' sales, as reflected in Plaintiff's certification, filed herewith.

### 17 **PRAYER FOR RELIEF**

18 WHEREFORE, Plaintiff, on his own and on behalf of the Class, pray for judgment as  
19 follows:

20 1. Declaring this action to be a class action pursuant to Rules 23(a) and 23 (b)(3) of the  
21 Federal Rules of Civil Procedure on behalf of the Class defined herein;

22 2. Awarding Plaintiff and members of the Class rescissory or compensatory damages  
23 in an amount which may be proven at trial, together with interest thereon;

24 3. Awarding Plaintiff and the members of the Class pre-judgment and post-judgment  
25 interest, as well as their reasonable attorneys' fees and expert witness fees and other costs; and

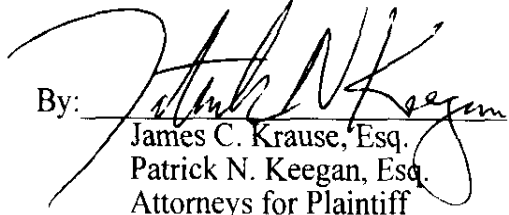
26 4. Awarding such other and further relief as this Court may deem just and proper  
27 including any extraordinary equitable relief and/or injunctive relief as permitted by law or equity to  
28 attach, impound or otherwise restrict the Defendants' assets to assure Plaintiff and the members of

1 the Class have an effective remedy.

2 Dated: February 2, 2001

KRAUSE & KALFAYAN

3  
4 By:

  
James C. Krause, Esq.  
Patrick N. Keegan, Esq.  
Attorneys for Plaintiff

5  
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Jessica F. Whitehurst, Esq.

8 FINKELSTEIN, THOMPSON & LOUGHRAN

1055 Thomas Jefferson Street, NW, Suite 601

9 Washington, DC 20007

(202) 337-8000

10 Ronald A. Marron, Esq.

11 MARRON & WILSON, LLP

1475 Sixth Avenue, Suite 301

12 San Diego, CA 92101

(619) 696-9006

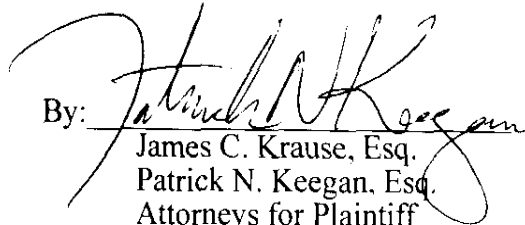
**DEMAND FOR JURY TRIAL**  
**Rule 38(b) of the Federal Rules of Civil Procedure**

Plaintiffs, on behalf of themselves and all others similarly situated, hereby demand a trial by jury of this action.

Dated: February 2, 2001

KRAUSE & KALFAYAN

By:

  
James C. Krause, Esq.  
Patrick N. Keegan, Esq.  
Attorneys for Plaintiff

**Of Counsel:**

Burton H. Finkelstein, Esq.

Donald J. Enright, Esq.

Jessica F. Whitehurst, Esq.

FINKELSTEIN, THOMPSON & LOUGHRAN

1055 Thomas Jefferson Street, NW, Suite 601

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Ronald A. Marron, Esq., SBN 175650

MARRON & WILSON, LLP

1475 Sixth Avenue, Suite 301

San Diego, CA 92101

(619) 696-9006



I, Gregg A. Ruffalo, declare as follows:

1. I am the named plaintiff in the above-entitled action and I am an adult resident of the State of Wisconsin. I have personal knowledge of the following facts and if called upon as a witness I could and would competently testify to the matters stated herein.

2. This sworn certificate in support of appointment as lead class, representative plaintiff in the accompanying above-captioned, class action complaint is made in compliance with Section 21D of the Securities Exchange Act of 1934, 15 U.S.C. § 78u-4.

3. I have read and reviewed the accompanying above-captioned, class action complaint and authorize its filing on my behalf.

4. I purchased purchase purchased 500 shares of En Pointe Technologies, Inc. common stock (ENPT) on the NASDAQ NMS on March 30, 2000, at the price of \$37.50 per share for a total of \$18,750.00 and I sold these 500 shares on October 25, 2000, at the price of \$4.3125 per share of a total \$2,156.25, resulting in a realized loss of \$16,593.75.

5. I did not purchase the above-described En Pointe Technologies, Inc. shares that are the subject of the accompanying above-captioned, class action complaint at the direction of my attorneys or in order to participate in any private action arising under the Securities Exchange Act of 1934.

6. I am willing to serve as a representative plaintiff on behalf of a class, including providing testimony at deposition and trial, if necessary.

7. During the 3 year period preceding the date on which this sworn certificate is signed, I have not sought to serve as a representative party on behalf of a class under the Securities Exchange Act of 1934.

8. I will not accept any payment for serving as the representative plaintiff on behalf of a class beyond my pro rata share of any recovery, except as ordered or approved by the court in accordance with paragraph (4) of Section 21D of the Securities Exchange Act of 1934, 15 U.S.C. § 78u-4(4).

I declare under penalty of perjury that the foregoing is true and correct and this declaration is executed this 30<sup>th</sup> day of January, 2001 at Plainfield, Wisconsin.

  
Gregg A. Ruffalo





-----BEGIN PRIVACY-ENHANCED MESSAGE-----

Proc-Type: 2001,MIC-CLEAR

Originator-Name: webmaster@www.sec.gov

Originator-Key-Asymmetric:

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ACCESSION NUMBER: 0000889812-99-003173

CONFORMED SUBMISSION TYPE: SC 13D/A

PUBLIC DOCUMENT COUNT: 1

FILED AS OF DATE: 19991102

SUBJECT COMPANY:

COMPANY DATA:

COMPANY CONFORMED NAME:	EN POINTE TECHNOLOGIES INC
CENTRAL INDEX KEY:	0001010305
STANDARD INDUSTRIAL CLASSIFICATION:	WHOLESALE-COMPUTER & PERIPHE
IRS NUMBER:	752467002
STATE OF INCORPORATION:	DE
FISCAL YEAR END:	0930

FILING VALUES:

FORM TYPE:	SC 13D/A
SEC ACT:	
SEC FILE NUMBER:	005-49679
FILM NUMBER:	99739458

BUSINESS ADDRESS:

STREET 1:	100 N. SEPULVEDA BLVD.
STREET 2:	19TH FLOOR
CITY:	EL SEGUNDO
STATE:	CA
ZIP:	90245-
BUSINESS PHONE:	3107251133

MAIL ADDRESS:

STREET 1:	100 N. SEPULVEDA BLVD.
STREET 2:	19TH FLOOR
CITY:	EL SEGUNDO
STATE:	CA
ZIP:	90245-

FILED BY:

COMPANY DATA:

COMPANY CONFORMED NAME:	TIME HOLDINGS LLC
CENTRAL INDEX KEY:	0001096224
STANDARD INDUSTRIAL CLASSIFICATION:	[]
IRS NUMBER:	330849138
STATE OF INCORPORATION:	CA

FILING VALUES:

FORM TYPE:	SC 13D/A
------------	----------

BUSINESS ADDRESS:

STREET 1:	600 W BROADWAY
STREET 2:	14TH FL

CITY: SAN DIEGO  
 STATE: CA  
 ZIP: 92101  
 BUSINESS PHONE: 8005453345

## MAIL ADDRESS:

STREET 1: 600 W BROADWAY  
 STREET 2: 14TH FL  
 CITY: SAN DIEGO  
 STATE: CA  
 ZIP: 92101

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&lt;DOCUMENT&gt;

&lt;TYPE&gt;SC 13D/A

&lt;SEQUENCE&gt;1

&lt;DESCRIPTION&gt;AMENDED BENEFICIAL OWNERSHIP STATEMENT

&lt;TEXT&gt;

&lt;PAGE&gt;

UNITED STATES  
 SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

SCHEDULE 13D/A  
 Under the Securities Exchange Act of 1934

En Pointe Technologies, Inc.

-----  
(Name of issuer)

Common Stock

-----  
(Title of class of securities)

29247F-10-8

-----  
(CUSIP Number)

Time Holdings, LLC  
 600 West Broadway, 14th Floor  
 San Diego, California 92101  
 800 545-3345

-----  
 (Name, address and telephone number of person  
 authorized to receive notices and communications)

September 22, 1999

-----  
 (Date of event which requires filing of this statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this statement because of Rule 13d-1(b)(3) or (4), check the following ☐.

Check the following box if a fee is being paid with the statement ☐.

&lt;PAGE&gt;

## 1 NAME OF REPORTING PERSON

Time Holdings, LLC.

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) ☐  
(b) ☐

3 SEC USE ONLY

4 SOURCE OF FUNDS

PF

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS  
2(d) or 2(e) ☐

6 CITIZENSHIP OR PLACE OF ORGANIZATION State of California

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7 SOLE VOTING POWER - 0
	8 SHARED VOTING POWER - 522,700
	9 SOLE DISPOSITIVE POWER - 0
	10 SHARED DISPOSITIVE POWER WITH - 522,700

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

522,700

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES ☐

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

8.8%

14 TYPE OF REPORTING PERSON

00

&lt;PAGE&gt;

## Item 1. Security and Issuer.

This Amendment No. 1 relates to the Schedule 13D filed with the Securities and Exchange Commission on October 7, 1999, by Time Holdings, LLC., a limited liability company with respect to the common stock, par value \$.01 per share (the "Common Stock"), of En Pointe Technologies, Inc. (the "Issuer"). The Issuer is a Delaware corporation with its principal executive offices located at 100 North Sepulveda Boulevard, 19th Floor, El Segundo, California 90245. Other than set forth herein, there have been no material changes in the information set forth in Items 1 through 7 of this Schedule as amended.

## Item 2. Identity and Background.

This Amendment is being filed on behalf of Time Holdings, LLC., a limited liability company ("Time Holdings"). The address of the principal business and principal office of Time Holdings is 600 West Broadway, 14th Floor, San Diego, California. The managing members of Time Holdings are Gregg Walker and John Laurienti. The principal business of Time Holdings is making investments and

managing assets.

(d) During the past five years, neither the Filing Persons, nor, to the knowledge of the Filing Persons, any person who is a member of the limited liability company, has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) On October 5, 1995, the Securities and Exchange Commission found that John Laurienti failed to properly discharge his supervisory responsibilities while acting as a branch manager for Dickenson & Co. As a result of that finding, John Laurienti was barred from acting in a proprietary or supervisory capacity with any broker dealer, municipal securities dealer, investment advisor or investment company. In addition, the Securities and Exchange Commission imposed a civil penalty on Mr. Laurienti of \$10,000.

On October 24, 1994, the Massachusetts Division of Securities found that John Laurienti failed to properly discharge his supervisory responsibilities. As a result, John Laurienti was barred from acting in a supervisory capacity in the securities industry for 18 months and was instructed to pay a fine of \$20,000. The acts of John Laurienti that led to this finding by the Massachusetts Securities Division are directly related to the acts that led to the above-mentioned finding by the Securities and Exchange Commission.

Other than the disclosures made about John Laurienti, during the last five years, neither the Filing Persons, nor, to the knowledge of the Filing Persons, any person, excluding John Laurienti, who is a member of the limited liability company, was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

Item 3. Source and Amount of Funds or Other Consideration.

<PAGE>

Time Holdings used the personal funds and working capital of its members and margin loans from J.B. Oxford, E Trade, Jack White, Spear Leeds and Kellogg, Charles Schwab, and TD Waterhouse to acquire the shares reported herein.

Item 4. Purpose of Transaction.

The purpose of the acquisition of En Pointe Technologies Common Stock is solely for investment purposes. Time holdings has no plans or proposals that relate or would result in any of the matters referred to in paragraphs (a) through (j) inclusive, of Item 4 of Schedule 13D. However, the reporting persons may from time to time review and reconsider their positions with respect to any such matter.

Item 5. Interest in Securities of the Issuer.

(a) Time Holdings maybe deemed to each be the beneficial owner of 522,700 shares of Common Stock for purposes of Rule 13d-1(a) promulgated under the Securities Exchange Act of 1934, as amended, which represents approximately 8.8% of the shares of Common Stock outstanding (based on the number of shares of Common Stock issued outstanding on August 14, 1999).

(b) The number of shares as to which Time Holdings has:

- (i) sole power to vote or direct the vote is 0.
- (ii) shared power to vote or to direct the vote is 522,700.

(iii) sole power to dispose or to direct the disposition of 0.

(iv) shared power to dispose of or direct the disposition of 522,700.

(c) To the knowledge of the Filing Persons, during the past dates since most recent filing of a 13D the Filing Persons have acquired or disposed of the shares annexed hereto in Exhibit A.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

There are no contract, arrangements, understandings, or relationships (legal or otherwise) among the persons named in Item 2 and between such person and any person with respect to any securities of the issuer, including but not limited to transfer or voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees profits, division of profits or loss, or giving or withholding proxies, naming the persons with whom such contracts, arrangements, understandings or relationships have been entered into. There are no securities that are pledged or otherwise subject to a contingency which would give another person voting power or investment power over such securities.

Item 7. Material to Be Filed as Exhibits

<PAGE>

N/A. The only Exhibit is the information requested in Item 5(c).

Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: November 2, 1999

Time Holdings, LLC

/s/ Greg Walker

-----  
Name and Title

<PAGE>

EXHIBIT A

<TABLE>

<CAPTION>

Security	Date	# of Shares Bought	# of Shares Sold	Pri or
<S>	<C>	<C>	<C>	<C>
ENPT	16-Sep-99	2,500		
ENPT	16-Sep-99	1,000		
ENPT	16-Sep-99	1,000		
ENPT	16-Sep-99	1,000		
ENPT	16-Sep-99	2,000		

ENPT	16-Sep-99	2,000	
ENPT	16-Sep-99		1,000
ENPT	16-Sep-99		2,000
ENPT	16-Sep-99	--	
ENPT	16-Sep-99		10,000
ENPT	16-Sep-99		10,000
ENPT	16-Sep-99		5,900
ENPT	17-Sep-99	200	
ENPT	17-Sep-99	500	
ENPT	17-Sep-99	1,000	
ENPT	17-Sep-99	1,000	
ENPT	17-Sep-99	1,000	
ENPT	17-Sep-99	1,000	
ENPT	17-Sep-99	1,000	
ENPT	17-Sep-99	1,000	
ENPT	17-Sep-99	1,500	
ENPT	17-Sep-99	1,800	
ENPT	17-Sep-99	2,000	
ENPT	17-Sep-99	800	
ENPT	17-Sep-99	1,000	
ENPT	17-Sep-99	1,000	
ENPT	17-Sep-99	1,200	
ENPT	17-Sep-99	2,000	
ENPT	17-Sep-99	2,000	
ENPT	17-Sep-99	2,000	
ENPT	17-Sep-99	2,500	
ENPT	17-Sep-99	2,500	
ENPT	17-Sep-99	2,500	
ENPT	17-Sep-99	1,000	
ENPT	17-Sep-99		500
ENPT	17-Sep-99		100
ENPT	17-Sep-99		1,900

ENPT	17-Sep-99	100
ENPT	17-Sep-99	500
ENPT	17-Sep-99	1,000
ENPT	20-Sep-99	400
ENPT	20-Sep-99	100
ENPT	20-Sep-99	10,000
ENPT	20-Sep-99	10,000

&lt;/TABLE&gt;

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Security	Date	# of Shares Bought	# of Shares Sold	Prior
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ENPT	21-Sep-99		300	
ENPT	21-Sep-99		1,000	
ENPT	21-Sep-99		1,200	
ENPT	21-Sep-99	31,250		
ENPT	21-Sep-99		100	
ENPT	21-Sep-99		10,000	
ENPT	21-Sep-99		10,000	
ENPT	21-Sep-99		10,000	
ENPT	21-Sep-99		31,250	DT
ENPT	21-Sep-99	10,000		
ENPT	21-Sep-99	10,000		
ENPT	21-Sep-99	10,000		
ENPT	22-Sep-99	1,000		
ENPT	22-Sep-99	1,000		
ENPT	22-Sep-99	1,000		
ENPT	22-Sep-99	1,000		
ENPT	22-Sep-99	1,000		



ENPT	22-Sep-99	1,000	
ENPT	22-Sep-99	1,000	
ENPT	22-Sep-99	1,000	
ENPT	22-Sep-99	1,000	
ENPT	22-Sep-99	1,000	
ENPT	22-Sep-99	1,000	
ENPT	22-Sep-99	1,000	
ENPT	22-Sep-99	1,000	
27k cxl	22-Sep-99		10,000
ENPT	22-Sep-99	10,000	
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ENPT	23-Sep-99	500	
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ENPT	23-Sep-99	550	
ENPT	23-Sep-99	1,000	
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ENPT	01-Oct-99	500	
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ENPT	01-Oct-99	500	
ENPT	01-Oct-99	3,500	

ENPT	01-Oct-99		98,750	
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Security	Date	Bought	Sold	or
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ENPT	04-Oct-99	30,000		DTC
ENPT	06-Oct-99	98,750		DTC
ENPT	06-Oct-99	2,000		
ENPT	13-Oct-99	500		
ENPT	13-Oct-99	250		
ENPT	13-Oct-99	500		
ENPT	14-Oct-99		300	
ENPT	14-Oct-99		1,500	
ENPT	14-Oct-99		1,100	
ENPT	14-Oct-99		2,000	
ENPT	14-Oct-99		2,600	
ENPT	20-Oct-99		600	
ENPT	20-Oct-99		600	
ENPT	20-Oct-99		600	
ENPT	28-Oct-99		50,000	
		518,800	476,000	
		Total for 9/16/99 - 10/28/99	42,800	

</TABLE>

Commissions	
Charles Schwab	\$89.85
Etrade	\$354.05
Hamilton	\$10,741.66

Trades	
Buys	622,700
Sells	476,000
Total	1,098,700

JB Oxford	\$--
My Discount	\$--
Olde	\$120.00
TD Wtrhouse	\$528.00

Total Position	522,700
----------------	---------

Comm. Total	\$11,833.56
-------------	-------------

Average Cost	\$10.92
--------------	---------

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</DOCUMENT>

</SEC-DOCUMENT>

-----END PRIVACY-ENHANCED MESSAGE-----



DECLARATION OF ADAM G. GILMAN

Re: CHRISTOPHER L. ALBRICK v. HAMPTON-PORTER aka Hampton-Porter Investment Bankers, a corporation; JOHN W. LAURIENTI, an individual; GREGORY D. WALKER, an individual; JAMES GREEN, an individual; JEFFREY JANDA, an individual; THEODORE GARRINGTON, an individual; and JANDA & GARRINGTON, LLC, a limited liability corporation; NASD Case No. 99-04557.

1. I, Adam G. Gilman, make this declaration at the request of Christopher L. Albrick for use in the above-captioned action. I am a former registered representative of Hampton-Porter, and Christopher Albrick was a client of mine at Hampton-Porter at one time.

2. On certain transactions in EMB Corporation, I was offered an incentive payment by Hampton-Porter of 10% of the value of EMB Corporation shares, but did not charge a regular commission on transactions since I was receiving a payment. I did not disclose this fact to Christopher Albrick when I recommended EMB Corporation to him, nor am I aware of anyone at Hampton-Porter telling Christopher Albrick about this incentive at the time the stock was being recommended, or at any time thereafter. Albrick purchased 50,000 shares of EMB Corporation.

3. Christopher Albrick had discussed selling his EMB Corporation shares with me and management of Hampton-Porter (Jim Green, John Laurienti [an owner]), and analyst Mark Bergman told me to recommend against selling the stock when the stock was approximately \$2.40 per share. I was told that institutional buyers would be buying EMB Corporation for \$3.00 or better per share. I described to Mr. Albrick a situation in which institutions could not buy the stock until it was trading for at least \$3.00 per share, but, as I was told, institutions were lined up to purchase the stock at that price (\$3.00 or better), plus a NASDAQ listing was forthcoming.

4. I was offered an incentive payment to sell En Pointe ("ENPT"), but did not charge a regular commission on transactions since I was receiving a payment. Christopher Albrick

defaulted on his order for ENPT and, despite responding otherwise, never paid for his stock. I told Jim Green to liquidate the ENPT while it was at a profit. Jim Green refused to accept the sale ticket, waiting until after ENPT dropped in value, causing Christopher Albrick a loss. I forfeited concessions described for EMBU and ENPT if my clients later sold the shares in either of those respective corporations. I purchased at least 25% of each position, EMBU and ENPT, with no compensation whatsoever or concession. It was made clear to me that Hampton-Porter at certain times wanted to support the prices of those two stocks, among others.

5. John Laurienti would regularly call meetings with the registered representatives of Hampton-Porter wherein he would advise of reasons to recommend EMB Corporation stock to our clients.

I declare under penalty of perjury under the laws of the State of Texas that the foregoing is true and correct.

DATED this 11 day of May, 2000.

  
Adam G. Gilman

May 9, 2000

2

1:00pm/Gilman, Albrick, ASE.pdf

JS44

(Rev. 07/89)

## CIVIL COVER SHEET

The JS-44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE SECOND PAGE OF THIS FORM.)

I. (a) PLAINTIFFS GREGG A. RUFFALO, on 01 FEB 02 PM 4:01  
behalf of himself and all others  
similarly situated

(b) COUNTY OF RESIDENCE OF FIRST LISTED PLAINTIFF Plainfield  
(EXCEPT IN U.S. PLAINTIFF CASES)

COUNTY OF RESIDENCE OF FIRST LISTED DEFENDANT  
(IN U.S. PLAINTIFF CASES ONLY)

San Diego

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED

(c) ATTORNEYS (FIRM NAME, ADDRESS, AND TELEPHONE NUMBER)  
Patrick N. Keegan (619) 232-0331  
KRAUSE & KALFAYAN  
1010 Second Ave., Ste. 1750  
San Diego, CA 92101

ATTORNEYS (IF KNOWN)

'01 CV 0205 (LIGA)

## II. BASIS OF JURISDICTION (PLACE AN X IN ONE BOX ONLY)

- ☐ U.S. Government Plaintiff ☒ Federal Question  
(U.S. Government Not a Party)
- ☐ U.S. Government Defendant ☐ Diversity (Indicate Citizenship of Parties in Item III)

## III. CITIZENSHIP OF PRINCIPAL PARTIES (PLACE AN X IN ONE BOX FOR PLAINTIFF AND ONE BOX FOR DEFENDANT)

- |   |                            |                            |   |                            |                            |
|---|----------------------------|----------------------------|---|----------------------------|----------------------------|
|   | PT                         | DEF                        |   | PT                         | DEF                        |
| Citizen of This State                   | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business in This State     | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State                | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business in Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation  | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

## IV. CAUSE OF ACTION (CITE THE U.S. CIVIL STATUTE UNDER WHICH YOU ARE FILING AND WRITE A BRIEF STATEMENT OF CAUSE. DO NOT CITE JURISDICTIONAL STATUTES UNLESS DIVERSITY).

Violations of Sections 10(b) and 20A of the Securities and Exchange Act of 1934.

62 15:0078

## V. NATURE OF SUIT (PLACE AN X IN ONE BOX ONLY)

CONTRACT	TORTS		FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance	<b>PERSONAL INJURY</b>	<b>PERSONAL INJURY</b>	<input type="checkbox"/> 610 Agriculture	<input type="checkbox"/> 412 Appeal 28 USC 158	<input type="checkbox"/> 400 State Reapportionment
<input type="checkbox"/> Marine	<input type="checkbox"/> 310 Airplane	<input type="checkbox"/> 362 Personal Injury - Medical Malpractice	<input type="checkbox"/> 620 Other Food & Drug	<input type="checkbox"/> 423 Withdrawal 28 USC 157	<input type="checkbox"/> 410 Arbitration
<input type="checkbox"/> Miller Act	<input type="checkbox"/> 315 Airplane Product Liability	<input type="checkbox"/> 365 Personal Injury - Product Liability	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881	<b>PROPERTY RIGHTS</b>	<input type="checkbox"/> 430 Banks and Banking
<input type="checkbox"/> Negotiable Instrument	<input type="checkbox"/> 320 Assault, Libel & Slander	<input type="checkbox"/> 368 Asbestos Personal Injury Product Liability	<input type="checkbox"/> 630 Liquor Laws	<input type="checkbox"/> 820 Copyrights	<input type="checkbox"/> 450 Commerce/ICC Rates, etc.
<input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment	<input type="checkbox"/> 330 Federal Employers' Liability	<b>PERSONAL PROPERTY</b>	<input type="checkbox"/> 640 RJ & Truck	<input type="checkbox"/> 830 Patent	<input type="checkbox"/> 460 Deportation
<input type="checkbox"/> 151 Medicare Act	<input type="checkbox"/> 340 Marine	<input type="checkbox"/> 370 Other Fraud	<input type="checkbox"/> 650 Airline Regs	<input type="checkbox"/> 840 Trademark	<input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations
<input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans)	<input type="checkbox"/> 345 Marine Product Liability	<input type="checkbox"/> 371 Truth in Lending	<input type="checkbox"/> 660 Occupational Safety/Health	<b>SOCIAL SECURITY</b>	<input type="checkbox"/> 510 Selective Service
<input type="checkbox"/> 153 Recovery of Overpayment of Veterans Benefits	<input type="checkbox"/> 350 Motor Vehicle	<input type="checkbox"/> 380 Other Personal Property Damage	<input type="checkbox"/> 690 Other	<input type="checkbox"/> 861 HIA (13958)	<input checked="" type="checkbox"/> 550 Securities/Commodities Exchange
<input type="checkbox"/> 160 Stockholders Suits	<input type="checkbox"/> 355 Motor Vehicle Product Liability	<input type="checkbox"/> 385 Property Damage Product Liability	<b>LABOR</b>	<input type="checkbox"/> 862 Black Lung (923)	<input type="checkbox"/> 575 Customer Challenge 12 USC
<input type="checkbox"/> 195 Contract	<input type="checkbox"/> 360 Other Personal Injury		<input type="checkbox"/> 710 Fair Labor Standards Act	<input type="checkbox"/> 863 DIWCD/IWW (405(g))	<input type="checkbox"/> 591 Agricultural Acts
<input type="checkbox"/> 195 Contract Product Liability			<input type="checkbox"/> 720 Labor/Mgmt. Relations	<input type="checkbox"/> 864 SSID Title XVI	<input type="checkbox"/> 592 Economic Stabilization Act
<b>REAL PROPERTY</b>	<b>CIVIL RIGHTS</b>	<b>PRISONER PETITIONS</b>	<input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act	<input type="checkbox"/> 865 RSI (405(g))	<input type="checkbox"/> 593 Environmental Matters
<input type="checkbox"/> 210 Land Condemnation	<input type="checkbox"/> 441 Voting	<input type="checkbox"/> 510 Motions to Vacate Sentence Habeas Corpus	<input type="checkbox"/> 740 Railway Labor Act	<b>FEDERAL TAX SUITS</b>	<input type="checkbox"/> 594 Energy Allocation Act
<input type="checkbox"/> 220 Foreclosure	<input type="checkbox"/> 442 Employment	<input type="checkbox"/> 530 General	<input type="checkbox"/> 790 Other Labor Litigation	<input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant)	<input type="checkbox"/> 595 Freedom of Information Act
<input type="checkbox"/> 230 Rent Lease & Ejectment	<input type="checkbox"/> 443 Housing/Accommodations	<input type="checkbox"/> 535 Death Penalty	<input type="checkbox"/> 791 Empl. Ret. Inc.	<input type="checkbox"/> 871 IRS - Third Party 26 USC 7609	<input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice
<input type="checkbox"/> 240 Tort to Land	<input type="checkbox"/> 444 Welfare	<input type="checkbox"/> 540 Mandamus & Other	<input type="checkbox"/> Security Act		<input type="checkbox"/> 950 Constitutionality of State
<input type="checkbox"/> 245 Tort Product Liability	<input type="checkbox"/> 440 Other Civil Rights	<input type="checkbox"/> 550 Civil Rights			<input type="checkbox"/> 990 Other Statutory Actions
<input type="checkbox"/> 290 All Other Real Property		<input type="checkbox"/> 555 Prisoner Conditions			

## VI. ORIGIN (PLACE AN X IN ONE BOX ONLY)

- ☒ 1 Original Proceeding ☐ 2 Removal from State Court ☐ 3 Remanded from Appellate Court ☐ 4 Reinstated or Reopened ☐ 5 Transferred from another district (specify) ☐ 6 Multidistrict Litigation ☐ 7 Appeal to District Judge from Magistrate Judgment

## VII. REQUESTED IN COMPLAINT:

☒ CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23

DEMAND \$ 50 Million

Check YES only if demanded in complaint:

JURY DEMAND: ☒ YES ☐ NO

## VIII. RELATED CASE(S) IF ANY (See Instructions):

JUDGE

Docket Number

DATE

February 2, 2001

SIGNATURE OF ATTORNEY OF RECORD

*Patrick N. Keegan*

680941 \$150 KRC